BHIVPURI INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS

		Date of appointment	Date of resignation
DIRECTORS :	Fareed Soreefan	26 September 2012	-
	Zakir Hussein Niamut	7 March 2014	-
	Resmah Bibi Mandary	18 May 2015	-
	Ramesh Subramanyam	25 June 2014	-
	Anand Agarwal	25 April 2016	-
	Nandakumar Tirumalai (permanent alternate director to Mr Ramesh Subramanyam)	28 October 2016	31 May 2018

REGISTERED OFFICE : IFS Court
Bank Street
Twenty Eight Cybercity
Ebène 72201
Mauritius

SECRETARY, ADMINISTRATOR AND MAURITIAN TAX AGENT: SANNE Mauritius
IFS Court
Bank Street
Twenty Eight Cybercity
Ebène 72201
Mauritius

BANKER : HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18 Cybercity
Ebène
Mauritius

AUDITOR : Ernst & Young Mauritius
9th Floor, NeXTeracom Tower 1
Cybercity Ebene
Mauritius

The directors present the financial statements of Bhivpuri Investments Limited (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activities of the Company are that of investment holding and provision of management support services to related parties.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

DIVIDENDS

The Company had declared a dividend of USD 35,000,000 during the year under review (2017: USD 18,000,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office until the next Annual Meeting.

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Bhivpuri Investments Limited under the Mauritius Companies Act 2001 for the year ended 31 March 2018.

for **SANNE Mauritius**
Secretary

Registered Office:
IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Mauritius

Date: 6 July 2018

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIVPURI INVESTMENTS LTD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bhivpuri Investments Ltd (the "Company") set out on pages 8 to 28 which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effect on the financial statements of the matter referred to in the basis of qualified opinion paragraph, the financial statements on pages 8 to 28 give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and cash flows for the year then ended and have been prepared in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Qualified Opinion

As described in Note 21 of the financial statements, the Company accounts for the investments in joint ventures amounting to USD 432,320,985 (March 31, 2017 - USD 432,320,985) at cost as at balance sheet date. Under IFRS 11, the Company should have recognized its investment in a joint venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. Had the interest in the jointly controlled entity been recognized using the equity method, investments, retained earnings and profit for the year in the accompanying financial statements would have been materially affected. Accordingly, profit before tax for year ended March 31, 2018 would have been higher by USD 1,720,286 (March 31, 2017 - USD 1,069,901), retained earnings would have been higher by USD 67,276,398 (March 31, 2017 - USD 65,555,812) and investments in joint venture would have been higher by USD 67,276,398 (March 31, 2017 - USD 65,555,812) as at balance sheet date.

The Company has also not complied with the disclosure requirements of IFRS 12 Disclosure of Interests in Other Entities relating to interests in joint arrangements.

The above matters are continuing matters from previous period on which the predecessor auditor had expressed an adverse opinion vide its report dated April 25, 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Commentary and the Certificate from the Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIVPURI INVESTMENTS LTD (CONTINUED)

Report on the Audit of the Financial Statements

Other Information (Continued)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHIVPURI INVESTMENTS LTD (CONTINUED)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

DARYL CSIZMADIA, C.A. (S.A)
Licensed by FRC

Date: 06 JUL 2018

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 USD Audited	2017 USD Audited
REVENUE		-	-
OPERATING EXPENSES			
Other operating expenses	16	90,233	127,540
		90,233	127,540
OPERATING LOSS		(90,233)	(127,540)
Finance income	14	73	18
Finance cost	15	986,033	144,183
LOSS BEFORE TAX		(1,076,193)	(271,705)
Taxation	13	-	-
LOSS FOR THE YEAR		**(1,076,193)**	**(271,705)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE LOSS NET OF TAX		**(1,076,193)**	**(271,705)**
Earnings per share			
Basic		(1.44)	(0.36)
Diluted		-	-

	Note	2018 USD	2017 USD	2016* USD
ASSETS				
Non-current asset				
Investment in Joint Ventures	5	432,320,985	432,320,985	432,320,985
		432,320,985	432,320,985	432,320,985
Current assets				
Prepayments	6	4,550	4,550	3,000
Cash and short term deposits	7	46,099	81,948	3,698
Other current financial assets	9	-	3	476,575
		50,649	86,501	483,273
Total assets		**432,371,634**	**432,407,486**	**432,804,258**
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	8	1,000,000	1,000,000	1,000,000
Retained earnings		136,167,870	172,244,063	190,515,768
Total equity		**137,167,870**	**173,244,063**	**191,515,768**
Current liabilities				
Other current financial liabilities	10	280,170,452	255,170,452	237,170,452
Dividend payable	12	10,000,000	-	-
Other payables	11	5,033,312	3,992,971	4,118,038
		295,203,764	**259,163,423**	**241,288,490**
Total equity and liabilities		**432,371,634**	**432,407,486**	**432,804,258**

* Restated (Refer Note 24)

Approved by the Board of Directors and authorised for issue on 6 July 2018.

Director Director

The notes on pages 12 to 28 form an integral part of these financial statements.
The independent audit report is on pages 5- 7.

	Note	Issued capital USD	Retained earnings USD	Total USD
At 1 April 2016*		1,000,000	190,515,768	191,515,768
Loss for the year and total comprehensive loss		-	(271,705)	(271,705)
Dividend Paid	19	-	(18,000,000)	(18,000,000)
At 31 March 2017		1,000,000	172,244,063	173,244,063
Loss for the year and total comprehensive loss		-	(1,076,193)	(1,076,193)
Dividend I Paid	19	-	(35,000,000)	(35,000,000)
At 31 March 2018		**1,000,000**	**136,167,870**	**137,167,870**

* Restated (Refer Note 24)

	2018 USD	2017 USD
Cash flows from operating activities		
Loss before tax	(1,076,193)	(271,705)
Adjustments for:		
Interest expense on loan	986,033	144,183
Expenses paid on behalf of the Company	-	65,499
Bank interest income	(73)	(18)
	(90,233)	(62,041)
Movement in working capital:		
Decrease in other receivables and prepayments	-	138,937
Increase in other payables	54,308	1,339
Net cash generated from /(used in) operating activities	(35,925)	78,235
Cash flows from investing activities		
Bank interest received	76	15
Net cash generated from investing activities	76	15
Cash flows from financing activities		
Loan repaid by related party	-	-
Loan from related party	25,000,000	18,000,000
Dividend paid	(25,000,000)	(18,000,000)
Net cash generated from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(35,849)	78,250
Cash and cash equivalents at beginning of year	81,948	3,698
Cash and cash equivalents at end of year	46,099	81,948

1. BACKGROUND INFORMATION

The Company was incorporated in Cyprus on 8 March 2007 as a private company with limited liability under the Companies Law, Cap. 113. On 17 May 2012, the Company has been struck off the Cyprus Registrar of Companies and re-domiciled in Mauritius under the Companies Act 2001 as the holder of a Category 1 Global Business Licence as issued by the Financial Services Commission. The registered office address of the Company is at IFS Court, Bank Street, TwentyEight Cybercity, Ebène 72201, Mauritius.

The principal activities of the Company are that of investment holding and provision of management support services to related parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Except for non-compliance with International Financial Reporting Standards ("IFRS") 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, the financial statements have been prepared in accordance with IFRS. The preparation of the financial statements in accordance with and in compliance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The financial statements are presented in USD.

(b) Investments in joint ventures

A joint venture is a type of joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company accounts its investments in Joint Ventures at cost less any impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income.

(c) Non current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

(d) Current v/s non current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period Or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.
A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period Or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement

The Company measures financial instruments such as derivatives and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability Or
• In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.
The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(g) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Mauritian laws, a distribution is authorised when it is approved by the shareholders and the Company satisfies the solvency test prior and post the distribution. A corresponding amount is recognised directly in equity.

(h) Cash and short term deposits

Cash and short -term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **Financial instruments**

(i) Financial Assets
- Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.
Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial liabilities.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(i) Financial Assets (continued)

Impairment of financial assets (continued)

Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When available for sale financial assets is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(ii) Financial liabilities

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derivative financial instruments

The Company uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under IAS 39 are recognised in the statement of profit or loss as cost of sales.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

(d) Other financial liabilities

Other financial liabilities, including borrowings and subordinated notes are initially measured at fair value, net of transaction costs. Transaction costs are defined as incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability. An incremental cost is one that would not have been incurred if the Company had not acquired, issued or disposed of the financial instrument.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Services fee income, management fee income and other income are recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. They are also accounted on an accrual basis in the financial statements.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is generally when shareholders approve the dividend and is recognised gross of withholding tax.

(k) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on accrual basis.

(l) Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets

The Company's assets are assessed for indicators of impairment at each reporting date.

Assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced by the impairment loss directly for all assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent, recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current period, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 January 2017.

3.1 *Standards and Interpretations adopted with no effect on the financial statements*

The following new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IAS 7 Statement of cash flows – Disclosure initiative
The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). This amendment does not have any impact on the financial statements of the Company as it does not have any such adjustments.

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. This amendment does not have any impact on the financial statements of the Company as it does not have any deductible temporary differences or assets that are in the scope of amendments.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - CONTINUED

3.2 *New and Revised Standards and Interpretations in issue but not yet effective*

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IAS 39 Financial Instruments: Recognition and Measurement -Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective annual period begining 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective annual period beginning 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective annual period beginning 1 January 2018)

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective annual period begining 1 January 2018)

IFRS 15 Revenue from Contracts with Customers - Amendments which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers (effective annual period begining 1 January 2018)

IFRS 15 Revenue from Contracts with Customers - Clarifications to IFRS 15 (effective annual period begining 1 January 2018)

The directors anticipate that these standards and interpretations will be applied in the financial statements on the above effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of those amendments.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the management have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollars.

Impairment of investments in joint ventures

Determining whether investments in joint ventures are impaired requires an estimation of the value in use of the investments. The value in use calculation requires the directors to estimate the future cash flows expected to arise from that investment and a suitable discount rate in order to calculate present value.

5. INVESTMENT IN JOINT VENTURES

	2018	2017	2016
	USD	USD	USD
Investment in joint venture	432,320,985	432,320,985	432,320,985

Details of the investment in joint venture are as follows:

	Place of incorporation	Number of shares	2018 % Holding	2018 USD Cost	2017 USD Cost	2016 USD Cost
IndoCoal KPC Resources (Cayman) Limited	Cayman Islands	300	30%	300	300	300
IndoCoal Resources (Cayman) Limited	Cayman Islands	300	30%	432,320,685	432,320,685	432,320,685
				432,320,985	432,320,985	432,320,985

Investment in joint ventures is stated at cost less impairment if any.

(a) IndoCoal KPC Resources (Cayman) Limited

The main business activity of IndoCoal KPC Resources (Cayman) Limited ("Indocoal KPC") is coal trading. The shares held in Indocoal KPC carry dividend and voting rights.

The directors are of the opinion that the estimated recoverable amount of the investment in the joint venture is not less than its carrying amount.

(b) IndoCoal Resources (Cayman) Limited

The Company together with its fellow subsidiary, Bhira Investments Limited ("Bhira") entered into a conditional agreement on 30 January 2014 with an unrelated third party named Long Haul Holdings Limited for the sale of PT Arutmin Indonesia ("Arutmin"), PT Indocoal Kalsel Resources ("Kalsel") and Indocoal Resources Cayman Limited ("Indocoal") for Arutmin Assets & Liabilities.
Since then, there have been amendments made to the conditional agreement and the long stop date had been extended multiple times which currently stands at 31 December 2018. However, the sale was not completed since some conditions precedents needed to be fulfilled prior to the transfer of shares and receipt of the consideration, which include clearances from the lenders. The Company and Bhira have been in constant negotiations with the counterparty and an alternative arrangement has been negotiated.
The Company together with its fellow subsidiary, Bhira Investments Limited have now entered into a new agreement with PT Cakrawala Langit Sejahtera ("CLS") (Long Haul Holdings Limited as per earlier arrangement) for a purchase consideration of USD 246.64 mn with effect from 29 November 2016. Out of the USD 246.64 mn, USD 200.06 mn will be allocated to Bhira and USD 46.58 mn to the Company. The purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2020.

One of the completion conditions (in both the previous as well as the revised Agreement) to the finalisation and operationalization of the deal is the restructuring of Indocoal, where it is expected that post the transfer of all Assets and Libilities of P T Kaltin Prima Coal (KPC), Indocoal Cayman would represent only Assets & liabilities relating to Arutmin.

The titles of shares will be transferred upon execution of the amended andrestated Arutmin Share Purchase Agreement ("Amendment Agreement").However as a security to unrealized payments, the Shares will be pledged back in favour of the Company on and around the date of completion. The investment has not yet been disposed of as at 31 March 2018 and has been carried at cost.

In the event the business model of Indocoal is no longer viable, it was approved at a board meeting of the Company held on 14 May 2013 that the Bhbira would buy out Indocoal from the Company at a price equal to the cost of Indocoal in the books of Bhivpuri. The Board of Directors of Bhira had also approved on 23 May 2013 to purchase the shares held by the Company in Indocoal at a price equal to the cost of Indocoal in the books of the Company.

During the year the Company has reviewed and reassessed the classification of investment in joint ventures - IndoCoal Resources (Cayman) Limited (Refer note 24).

6. PREPAYMENTS

	2018	2017	2016
	USD	USD	USD
Prepayments	4,550	4,550	3,000
	4,550	4,550	3,000

7. CASH AND SHORT TERM DEPOSITS

For the purposes of the statement of cash flows, the cash and cash equivalents comprise the following:

	2018	2017	2016
	USD	USD	USD
Cash at bank	84	267	3,698
Short term deposits	46,015	81,681	-
	46,099	81,948	3,698

The interest rate on short term deposits ranges from 1.25% to 2.10% for the year under review. The term deposits are less than 3 months.

8. ISSUED CAPITAL

	2018	2017	2016
	USD	USD	USD
Ordinary shares of EUR1 each	1,000,000	1,000,000	1,000,000

Under its memorandum the Company fixed its share capital at 746,250 ordinary shares of nominal value of EUR1 each. Upon incorporation on 8 March 2007, the Company issued to the subscribers of its Memorandum of Association 746,250 ordinary shares of EUR1 each at par. Re-translation for stated capital from EUR 746,250 to USD 1,000,000 happened as of 30 June 2007 at a rate of 1.34 (EUR/USD exchange rate).

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

9. OTHER CURRENT FINANCIAL ASSETS

	2018	2017	2016
	USD	USD	USD
Receivable from other companies	-	-	476,575
Interest receivable on short-term deposits	-	3	-
	-	3	476,575

10. OTHER CURRENT FINANCIAL LIABILITIES

Loans	2018	2017	2016
	USD	USD	USD
(a) Bhira Investments Limited	192,355,079	167,355,079	149,355,079
(b) Indocoal Resources (Cayman) Limited	87,815,373	87,815,373	87,815,373
	280,170,452	255,170,452	237,170,452

(a) Bhira Investments Limited

	2018	2017	2016
	USD	USD	USD
Opening Balance	167,355,079	149,355,079	149,355,079
Loan received	25,000,000	18,000,000	-
Closing balance	192,355,079	167,355,079	149,355,079

Out of USD 192,355,079 (31 March 2017 USD 167,355,079 and 1 April 2016 149,355,079) of the loan from Bhira Investments Limited; USD149,355,079 (31 March 2017 USD 149,355,079 and 1 April 2016 USD 149,355,079) is interest free, unsecured and repayable as and when agreed by the parties and the remaining USD43,000,000 (31 March 2017: USD18,000,000 and 1st April'2016 : NIL) is interest bearing at a rate of LIBOR + 2.5%, unsecured and repayable as and when agreed by the parties. The loan of USD149,355,079 was previously interest bearing until 1 November 2012.

(b) Indocoal Resources (Cayman) Limited

	2018	2017	2016
	USD	USD	USD
Balance at	87,815,373	87,815,373	87,815,373

The loan is unsecured, interest free and repayable only out of dividends declared by Indocoal Resources (Cayman) Limited in favour of the Company.

11. OTHER PAYABLES

	2018	2017	2016
	USD	USD	USD
Other payable and accruals	17,916	36,850	35,511
Payable to related party	87,541	14,300	284,889
Interest on loan	4,927,855	3,941,821	3,797,638
	5,033,312	3,992,971	4,118,038

12. DIVIDEND PAYABLE

The Company declared dividend amounting to USD 35,000,000 to the shareholder, The Tata Power Company Limited, as approved by the board on 29 March 2018. Out of the above USD 10,000,000 is payable as on 31st March 2018.

13. TAXATION

The Company is liable to pay tax in Mauritius on its chargeable income at the rate of 15%. As a holder of a Category 1 Global Business Licence, it is entitled to a credit in respect of foreign tax equivalent to the higher of actual foreign tax suffered or a deemed credit equivalent to 80% of the Mauritius income tax liability on foreign source income. The maximum effective tax rate is 3%.

	2018	2017
	USD	USD
Loss before taxation	(1,076,193)	(271,705)
Tax at the applicable rate of 15%	(161,429)	(40,756)
Tax effect of:	-	-
Deemed tax credit at 80%	129,143	32,605
Deferred tax asset not recognised	32,286	8,151
Taxation	-	-

14. FINANCE INCOME

	2018	2017
	USD	USD
Bank interest income	73	18
	73	18

15. FINANCE COST

	2018	2017
	USD	USD
Interest expense on loan from related parties	986,033	144,183
	986,033	144,183

16. OTHER OPERATING EXPENSES

	2018	2017
	USD	USD
Audit fees	16,245	20,644
Other expenses	3,295	3,160
Legal and professional fees	70,693	103,736
	90,233	127,540

17. RELATED PARTY TRANSACTIONS

For the year ended 31 March 2018, the Company entered into the following related party transactions. Details of the nature, volume of transactions and the balances with the related parties are as follows:

Payable to The Tata Power Co Ltd (Holding Company)

		USD
- Dividend declared	2018	35,000,000
	2017	18,000,000
	2016	-
- Dividend payable	2018	10,000,000
	2017	-
	2016	-

Payable to / (Receivable from) Bhira Investments Limited ("Bhira")

- Loan	2018	192,355,079
	2017	167,355,079
	2016	149,355,079
- Loan taken	2018	25,000,000
	2017	18,000,000
	2016	-
- Interest expense	2018	986,033
	2017	144,183
- Interest Payable	2018	4,927,854
	2017	3,941,821
	2016	3,797,638
- Other Payable	2018	87,541
	2017	14,300
	2016	284,889

Payable to / (Receivable from) Khopoli Investments Limited ("Khopoli")

- Other receivable	2018	-
	2017	-
	2016	476,575

17. RELATED PARTY TRANSACTIONS (CONTINUED)

Payable to Indocoal Resources (Cayman) Limited

- Loan	2018	87,815,373
	2017	87,815,373
	2016	87,815,373

Compensation to key management personnel

No compensation has been paid to key management personnel for the year ended 31 March 2018 (2017: Nil).

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

18.1 Financial Assets at amortised cost

Financial Assets at amortised cost	2018	2017	2016
Cash and Short term deposits (including interest accrued on short term deposit)	46,099	81,951	3,698
Total Financial Assets at amortised cost	**46,099**	**81,951**	**3,698**
Total Financial Assets	**46,099**	**81,951**	**3,698**
Total Current Financial Assets	**46,099**	**81,951**	**3,698**
Total Non Current Financial Assets	-	-	-

Prepayments amounting to USD4,550 (March 2017: USD 4550 and 1 April 2016 USD 3000) do not form part of financial assets.

18.2 Financial liabilities

Interest-bearing loans and borrowings	Interest rate	Maturity	2018	2017	2016
Bhira Investments Limited	LIBOR + 2.5%	on demand	43,000,000	18,000,000	-
Total interest-bearing loans and borrowings			43,000,000	18,000,000	-
Non interest-bearing loans and borrowings					
Bhira Investments Limited - non interest bearing			149,355,079	149,355,079	149,355,079
Indocoal Resources (Cayman) Limited			87,815,373	87,815,373	87,815,373
Total Non interest-bearing loans and borrowings			237,170,452	237,170,452	237,170,452
Other financial liabilities			15,033,312	3,992,971	4,118,038
Total Financial Liabilities			295,203,764	259,163,423	241,288,490
Total Current Financial Liability			295,203,764	259,163,423	241,288,490
Total Non Current Financial Liability			-	-	

18.3 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	2018	
	Carrying amount	Fair value
	USD	USD
Financial Assets		
Cash and Short term deposits (including interest)	46,099	46,099
Total Financial Assets	**46,099**	**46,099**
Financial Liabilities		
Interest-bearing loans and borrowings	43,000,000	43,000,000
Non Interest-bearing loans and borrowings	237,170,452	237,170,452
Other financial liabilities	15,033,312	15,033,312
Total Financial Liabilities	295,203,764	285,203,764

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

18.3 Fair values (Continued)

	2017	
	Carrying amount	Fair value
Financial Assets	USD	USD
Cash and Short term deposits (including interest)	81,951	81,951
Total Financial Assets	81,951	81,951
Financial Liabilities		
Interest-bearing loans and borrowings	18,000,000	18,000,000
Non Interest-bearing loans and borrowings	237,170,452	237,170,452
Other financial liabilities	3,992,971	3,992,971
Total Financial Liabilities	259,163,423	259,163,423

	2016	
	Carrying amount	Fair value
	USD	USD
Financial Assets		
Cash and Short term deposits (including interest)	3,698	3,698
Total Financial Assets	3,698	3,698
Financial Liabilities		
Interest-bearing loans and borrowings	-	-
Non Interest-bearing loans and borrowings	237,170,452	237,170,452
Other financial liabilities	4,118,038	4,118,038
Total Financial Liabilities	241,288,490	241,288,490

The management assessed that the fair values of cash and short-term deposits, trade and other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid market, is determined with reference to quoted market prices.
- The fair value of other financial asset and financial liability is determined in accordance with generally accepted pricing model, based on discounted cash flow analysis using prices from observable current market transactions and dealer quote for similar instruments.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1- Quoted prices (unadjusted) in active market for identical assets and liabilities:

Level 2- Input other than quoted prices included within level 1 that are observable for the asset and liability either directly (that is as prices) or indirectly (that is derived from prices); and

Level 3- For the asset or liability that are not based on observable market data (unobservable inputs).

18.4 Financial instruments risk management objective & policies

(i) *Market risk*

Market risk is the risk that changes in market prices, such as (i) foreign exchange rates (currency risk) and (ii) interest rates (interest rate risk) will affect the Company's income or the value of its holdings of financial instruments. The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) *Currency risk*

All the Company's financial assets and liabilities are denominated in United States Dollars and consequently, the Company is not exposed to foreign currency risk.

The Company has invested in a joint venture entity incorporated in Cayman Islands. Since the main operations, revenues and bulk of the expenses of the joint venture entity are driven by the global market and the United States Dollar, the Company is not exposed to foreign currency risk.

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

18.4 Financial instruments risk management objective & policies (Continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Bank interest income may fluctuate in amount, in particular due to changes in the interest rate. The impact of a 5% fluctuation in the interest rates on bank interest income would be as follows:

	5% increase 2018 USD	5% decrease 2018 USD	5% increase 2017 USD	5% decrease 2017 USD
Bank interest income	4	(4)	1	(1)
Effect on profit before tax	4	(4)	1	(1)

All investments are financed by loan from related parties. Interest expense to related party may fluctuate in amount, in particular due to changes in the LIBOR Rate. The impact of a 5% fluctuation in the interest rates on loan from related parties would be as follows:

	5% increase 2018 USD	5% decrease 2018 USD	5% increase 2017 USD	5% decrease 2017 USD
Interest income on loan	49,302	(49,302)	7,209	(7,209)
Effect on profit before tax	49,302	(49,302)	7,209	(7,209)

(iv) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

There is no material outstanding amount subject to credit risks.

All of the above are due from related companies. As such, directors believe exposure to credit risk to be minimal.

(v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors and in managing the Company's short, medium and long term funding and liquidity requirements; the Board of Directors is guided by similar practices adopted by its holding company. The holding company is committed to provide a committed undertaking to give financial and other support to the company to ensure that it can meets obligation to its liabilities as they fall due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can receive and be required to pay. The financial liabilities are payable within one year.

31-Mar-18	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
Financial assets				
Cash at Bank	84	-	-	84
Short term deposits (including interest)	-	46,015	-	46,015
	84	46,015	-	46,099
Financial liabilities				
Interest-bearing loans and borrowings	43,000,000	-	-	43,000,000
Non-interest bearing loans and borrowings	237,170,452	-	-	237,170,452
Other financial liabilities	10,000,000	5,033,011	-	15,033,011
	290,170,452	5,033,011	-	295,203,463

31-Mar-17	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
Financial assets				
Cash at Bank	267	-	-	267
Short term deposits (including interest)	-	81,684	-	81,684
	267	81,684	-	81,951

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

(v) Liquidity risk management (Continued)

Financial liabilities				
Interest-bearing loans and borrowings	18,000,000	-	-	18,000,000
	237,170,452	-	-	237,170,452
Non interest-bearing loans and borrowings				
Other financial liabilities	-	3,992,971	-	3,992,971
	255,170,452	3,992,971	-	259,163,423

31-Mar-16	On demand USD	Less than 1 Year USD	More than 1 Year USD	Total USD
Financial assets				
Cash at Bank	3,698	-	-	3,698
Short term deposits (including interest)	-	#REF!	-	#REF!
	3,698	#REF!	-	#REF!
Financial liabilities				
Interest-bearing loans and borrowings	-	-	-	-
Non interest-bearing loans and borrowings	237,170,452	-	-	237,170,452
Other financial liabilities	-	4,118,038	-	4,118,038
	237,170,452	4,118,038	-	241,288,490

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance. The company's overall strategy remains unchanged from last year

Capital structure

The capital structure of the Company consists of net debt, stated capital and accumulated losses.

19 DIVIDEND PAID

During the year a dividend of USD46.90 per share had been declared by the directors at the board meetings held on 18 December 2017, 29 December 2017 and 29 March 2018 for a total of USD35,000,000 (2017: USD18,000,000)

20. HOLDING AND ULTIMATE HOLDING COMPANY

The Company regards Tata Power Company Limited as the immediate holding and ultimate holding company. Tata Power Company Limited is incorporated in India and listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

21. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) 5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS, IFRS 11 JOINT ARRANGEMENTS AND IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 11 requires a parent company that holds investments in joint ventures to apply the equity method for accounting its investments. However, the Company has not applied the equity method for accounting its joint ventures.

The Company accounts for the investments in joint ventures amounting to USD 432,320,985 (31 March 2017 - USD 432,320,985) at cost as at balance sheet date. Under IFRS 11, if the Company had recognized its investment in a joint venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures profit before tax for year ended March 31, 2018 would have been higher by USD 1,720,286 (31 March 2017 - USD 1,069,901), retained earnings would have been higher by USD 67,276,398 (31 March 2017 - USD 65,555,812) and investments in joint venture would have been higher by USD 67,276,398 (31 March 2017 – USD 65,555,812) as at balance sheet date.

IFRS 12 Disclosure of Interests in Other Entities requires the parent company to make additional disclosures on its joint ventures. In addition to the information disclosed for each joint venture, the Company should give a summarized financial information including current assets, non-current assets, revenue, other comprehensive income among others and a reconciliation of the summarized financial information to the carrying amount of its interest in the joint venture.

The Company has not applied IFRS 11 and IFRS 12 given the fact that the same is done at the parent (The Tata Power Company limited) level as at 31 March 2018.

22. SEGMENT INFORMANTION

The Company has only one segment of operation which has as objective of to hold investments.

23. CONTINGENCIES AND COMMITMENT

Contingencies

As at the reporting year, the Company did not have any contingency with respect to its investments in the joint ventures.

Commitments

As at the reporting year, the Company did not have any commitments with respect to its investments in the joint ventures.

Balance Sheet as at 1 April, 2016

	Reported Amount As at 1 April, 2016 USD	Restatements USD	Restated Amount As at 1 April, 2016 USD
ASSETS			
Non-current asset			
Investment in Joint Ventures	300	432,320,685	432,320,985
	300	432,320,685	432,320,985
Current assets			
Prepayments	3,000	-	3,000
Cash and short term deposits	3,698	-	3,698
Other current financial assets	476,575	-	476,575
	483,273	-	483,273
Asset classified as held for Sale			
Investment in Joint Venture (Refer note below)	432,320,685	(432,320,685)	-
Total assets	432,804,258	(432,320,685)	432,804,258
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	1,000,000	-	1,000,000
Retained earnings	190,515,768	-	190,515,768
Total equity	191,515,768	-	191,515,768
Current liabilities			
Other current financial liabilities	237,170,452	-	237,170,452
Other payables	4,118,038	-	4,118,038
	241,288,490	-	241,288,490
Total equity and liabilities	432,804,258	-	432,804,258

Notes

1 The investment made by the Company in Indocoal Resources (Cayman) Limited had been classified as an Investment in Joint Ventures under the head asset classified as held for sale. Since the investment was expected to be disposed within the next 12 months, it was accordingly reclassified from non - current asset to asset held for sale as from 31 March 2014.

During the current year, pursuant to the agreement made by the Company and its fellow subsidiaries with PT CLS, Indocoal Resources (Cayman) Limited would be restructured and would represent only Assets and Liabilities of PT Arutmin, whose shares are then expected to be transferred to the party paying the agreed purchase consideration. Accordingly, the investment of the Company in Indocoal Resources (Cayman) Limited is being reclassified as an Investment in Joint Ventures under the head Non current asset. This change has no impact on the Statement of Profit & Loss, Statement of Cash Flow and Statement of Change in Equity.

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Year ended March, 2018	Exchange Rate	Amount	Year ended March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
REVENUE						
OPERATING EXPENSES						
Other operating expenses	90,233	64.45	58,15,282	1,27,540	67.09	85,56,608
	90,233	64.45	**58,15,282**	**1,27,540**	67.09	**85,56,608**
OPERATING LOSS	(90,233)	64.45	(58,15,282)	(1,27,540)	67.09	(85,56,608)
Finance income	73	64.45	4,705	18	67.09	1,178
Finance cost	9,86,033	64.45	6,35,47,263	1,44,183	67.09	96,73,180
LOSS BEFORE TAXATION	(10,76,193)	64.45	(6,93,57,840)	(2,71,705)	67.09	(1,82,28,610)
Taxation	-	64.45	-	-	67.09	-
LOSS FOR THE YEAR	(10,76,193)	64.45	(6,93,57,840)	(2,71,705)	67.09	(1,82,28,610)
OTHER COMPREHENSIVE INCOME	-	64.45	-	-	67.09	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(10,76,193)**	**64.45**	**(6,93,57,840)**	**(2,71,705)**	**67.09**	**(1,82,28,610)**

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	As at March, 2018	Exchange Rate	Amount	As at March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
ASSETS						
Non current assets						
Investments in joint ventures	43,23,20,985	65.18	28,17,76,01,000	43,23,20,985	64.85	28,03,60,15,877
	43,23,20,985	65.18	28,17,76,01,000	43,23,20,985	64.85	28,03,60,15,877
Current assets						
Prepayments	4,550	65.18	2,96,558	4,550	64.85	2,95,067
Cash and short term deposits	46,099	65.18	30,04,618	81,948	64.85	53,14,328
Other current financial Assets	-	65.18	-	3	64.85	195
	50,649	65.18	33,01,176	86,501	64.85	56,09,590
Total assets	**43,23,71,634**	**65.18**	**28,18,09,02,176**	**43,24,07,486**	**64.85**	**28,04,16,25,467**
EQUITY AND LIABILITIES						
Capital and reserves						
Issued capital	10,00,000	40.76	4,07,60,000	10,00,000	40.76	4,07,60,000
Retained earnings	13,61,67,870	33.87	4,61,14,15,155	17,22,44,063	40.27	6,93,64,31,971
Foreign Currency Translation Reserves	-		4,28,80,83,693	-		4,25,76,85,514
Total Equity	13,71,67,870	65.18	8,94,02,58,848	17,32,44,063	64.85	11,23,48,77,485
Current liabilities						
Other current financial liabilities	28,01,70,452	65.18	18,26,08,09,635	25,51,70,452	64.85	16,54,78,03,812
Dividend payable	1,00,00,000	65.18	65,17,75,000	-	64.85	-
Other payables	50,33,312	65.18	32,80,58,693	39,92,971	64.85	25,89,44,169
	29,52,03,764	65.18	19,24,06,43,328	25,91,63,423	64.85	16,80,67,47,982
Total equity and liabilities	**43,23,71,634**	**65.18**	**28,18,09,02,176**	**43,24,07,486**	**64.85**	**28,04,16,25,467**

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated capital	Exchange Rate	Amount	Retained Earnings	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
At 1 April, 2016	10,00,000	40.76	4,07,60,000	19,05,15,768	42.84	8,16,22,73,384	19,15,15,768	42.83	8,20,30,33,384
Profit for the year and total comprehensive Income				(2,71,705)	67.09	(1,82,28,610)	(2,71,705)	67.09	(1,82,28,610)
Dividend Paid				(1,80,00,000)	67.09	(1,20,76,12,803)	(1,80,00,000)	67.09	(1,20,76,12,803)
At 31 st March 2017	**10,00,000**	**40.76**	**4,07,60,000**	**17,22,44,063**	**40.27**	**6,93,64,31,971**	**17,32,44,063**	**40.27**	**6,97,71,91,971**
Profit for the year and total comprehensive Income				(10,76,193)	64.45	(6,93,57,840)	(10,76,193)	64.45	(6,93,57,840)
Dividend Paid				(3,50,00,000)	64.45	(2,25,56,58,976)	(3,50,00,000)	64.45	(2,25,56,58,976)
At 31 st March 2018	**10,00,000**	**40.76**	**4,07,60,000**	**13,61,67,870**	**33.87**	**4,61,14,15,155**	**13,71,67,870**	**33.92**	**4,65,21,75,155**

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Year ended March, 2018	Exchange Rate	Amount	Year ended March, 2017	Exchange Rate	Amount
	USD		₹	USD		₹
Cash flows from operating activities						
Loss before tax	(10,76,193)	64.45	(6,93,57,840)	(2,71,705)	67.09	(1,82,28,610)
Adjustments for:						
Interest Expense on Loan	9,86,033	64.45	6,35,47,277	1,44,183	67.09	96,73,180
Bank Interest Income	(73)	64.45	(4,690)	(18)	67.09	(1,208)
Expenses paid on behalf of the Company	-	64.45	-	65,499	67.09	43,94,302
Operating Profit before Working Capital Changes	**(90,233)**	**64.45**	**(58,15,253)**	**(62,041)**	**67.09**	**(41,62,336)**
Movement in working capital:						
Decrease in other receivables and prepayments	-	64.45	-	1,38,937	67.09	93,21,228
Increase in other payables	54,308	64.45	35,00,009	1,339	67.09	89,833
Net cash generated from / (used in) operating activities	**(35,925)**	**64.45**	**(23,15,244)**	**78,235**	**67.09**	**52,48,725**
Cash flows from investing activities						
Bank Interest received	76	64.45	4,884	15	67.09	1,006
Net cash generated from investing activities	**76**	**64.45**	**4,884**	**15**	**67.09**	**1,006**
Cash flows from financing activities						
Loan repaid by related party	-	64.45	-	-	67.09	-
Loan from related party	2,50,00,000	64.45	1,61,11,85,000	1,80,00,000	67.09	1,20,76,12,800
Dividend paid	(2,50,00,000)	64.45	(1,61,11,85,000)	(1,80,00,000)	67.09	(1,20,76,12,800)
Net cash generated from financing activities	**-**	**64.45**	**-**	**-**	**67.09**	**-**
Net increase / (decrease) in cash and cash equivalents	**(35,849)**	**64.45**	**(23,10,360)**	**78,250**	**67.09**	**52,49,731**
Cash and cash equivalents at beginning of year	81,948	64.85	53,14,328	3,698	66.25	2,44,983
Effect of exchange fluctuation on cash and cash equivalents			650			(1,80,386)
Cash and cash equivalents at end of year	**46,099**	**65.18**	**30,04,618**	**81,948**	**64.85**	**53,14,328**